

## South Carolina Farm Bureau Federation PO Box 754 • Columbia, SC • 29202-0754 803.796.6700 • Fax 803.936.4496 www.scfb.org

April 9, 2019

Ms. Jocelyn Boyd Chief Clerk and Administrator South Carolina Public Service Commission Synergy Business Park, The Saluda Building 101 Executive Center Drive Columbia, SC 29210

Re:

Application of Duke Energy Progress, LLC for Adjustments in Electric Rate

Schedules and Tariffs and Request for Accounting Order

Docket No. 2018-318-E

Dear Ms. Boyd:

I am writing on behalf of the South Carolina Farm Bureau to summarize and clarify testimony that was presented by its members on the record at the night hearing in Florence, SC on April 1, 2019, in the above-referenced matter.

The testimony presented at the night hearing revealed that farmers subscribe to both Small General Service ("SGS") and Medium General Service ("MGS"). The MGS level of service is required for most irrigation pivots, which are used on a seasonal basis. The farmers testified regarding the farm economy and their inability to pass through increases in energy costs, and noted their particular concern with the large increase in the Base Facility Charge being proposed by Duke Energy Progress ("DEP"). The BFC is a per-meter monthly charge and is applied every month regardless of usage or the seasonal nature of the service.

While the Farm Bureau and its members appreciate the fact that DEP has agreed to curtail the increase in the BFC for residential and SGS customers, please note that DEP's agreement, as reflected in its letter dated March 26, 2019 and entered into the record at the Florence night hearing, does not apply to MGS meters. DEP's proposal is to increase the BFC for MGS from \$17.17 to \$40.03, a 133% increase. Additionally, as noted in its letter filed in this docket on March 29, 2019, Office of Regulatory Staff ("ORS") witness Seaman-Huynh did not propose specific BFC rates, but a rate design methodology that, when applied to the adjustments proposed by ORS, results in the rates outlined by DEP. Both ORS's testimony and the DEP letter are silent with respect to the BFC for MGS.

As testified at the night hearing, the SC Farm Bureau and its members believe the percentage increase in BFC proposed by DEP is unreasonably large. The SC Farm Bureau and its members

Ms. Jocelyn Boyd Chief Clerk and Administrator South Carolina Public Service Commission Letter of April 9, 2019 Page Two

believe the BFC for MGS should not be increased at all in today's economic environment. However, to be fair, if the Commission determines the BFC for MGS should be increased, it should be no more than the corresponding percentage increase in BFC for SGS, which is approximately 24.5%.

Sincerely,

Harry Ott, President

South Carolina Farm Bureau Federation

cc: All other Parties of Record (via E-mail)